

**Questions and Answers on the 2004-2005 W-2 Allocations  
August 27, 2003**

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2004-2005 Allocations**

1. Question: Why is there a change from the allocations published in the 2004-2005 W-2 Request for Proposal (RFP) on May 16, 2003 and those published in an addendum on August 4, 2003?

Answer: The allocations published on May 16, 2003, were preliminary figures based on the Governor's proposed budget. The allocations published on August 4, 2004 were based on 2003 Wisconsin Act 33 (Act 33), for the 2003-2005 biennium.

The May figures are provided in the "2004-2005 W-2 Contract Allocation Results" document posted at <http://www.dwd.state.wi.us/dws/W2/rfp/default.htm>. See Questions and Answers, August 6, 2003 – Comparison. See first column, "Published Amounts May 2003."

2. Question: The allocations communicated in May are significantly different from the final allocations published in August, what explains the difference?

Answer: The following are the reasons for the differences:

First, allocations were amended to address the following changes in the application of the methodology:

- a) Change to include in the case counts the child care cases on food stamps and medical assistance; and
- b) Change to calculate the methodology on the average caseload for a one- year period, July 1, 2002-June 30, 2003.

The amended methodology, applied to the May amounts, is provided in the "2004-2005 W-2 Contract Allocation Results" document posted at <http://www.dwd.state.wi.us/dws/W2/rfp/default.htm>. See Questions and Answers, August 6, 2003 – Comparison. See middle column, "Amended Methodology Applied to May Amounts."

Second, the amended methodology was applied to the final funds approved in Act 33.

The final allocations are provided in the "2004-2005 W-2 Contract Allocation Results" document posted at <http://www.dwd.state.wi.us/dws/W2/rfp/default.htm>. See Questions and Answers, August 6, 2003 – Comparison. See last column, "Final Allocation Based on Act 33."

3. Question: What caused the difference in the total allocation from May to Act 33?

Answer: The estimated allocations for 2004-2005 W-2 contract period released in May, 2003, were based on the Governor's request which included an extension from 3 to 6 months benefits for a Caretaker of an infant. The State Legislature removed this provision and approximately \$21.9 million in estimated benefits that the extension would have paid. The Joint Committee on Finance also reduced administration by 5% (\$2.2 million over the contract period). The Biennial Budget was signed by the Governor with this change (Section 49.175 (1) (a) Wisconsin Works benefits). Therefore, the Department had \$24.1 million less to allocate to the benefits area in the 2004-2005 W-2 contract.

4. Question: Are there funds set aside from the W-2 allocation to provide Transitional Jobs?

Answer: Yes. A total of \$34,192,188 has been set aside for the implementation of the Transitional Jobs Program. This includes: \$29,767,392 in Benefits; \$2,424,796 in Services, and \$2,000,000 in Administration. The Department anticipates implementation of Transitional Jobs in 2004.

5. Question: How will the Transitional Jobs funding be allocated to the geographic areas?

Answer: The Transitional Jobs program is in the planning stages. It is too early to say how the money will be allocated to geographic areas and who will administer the program locally. However, the Department will allocate unspent Transitional Jobs funds to W-2 benefits. Excellent recommendations for implementation have been received by the Transitional Jobs Task Force. The Secretary and DWS is now evaluating these recommendations. Detailed implementation steps will be finalized over the next few months.

6. Question: Are there any other funds set aside from the W-2 allocation?

Answer: Yes. The Department has withheld W-2 administration funds for the following purposes:

- a. A total of \$6,112,987 in administration funds is being withheld for W-2 in Milwaukee. Milwaukee administration is capped in the 2004-2005 W-2 contract at 12%, normally their expenditure level vs. the allowable 15%. The amount set aside for Milwaukee is the difference between the 12% and 15%. The amount is set aside for special needs in Milwaukee.
- b. A total of \$2,937,416 has been set aside for consortia incentives. In an effort to reduce costs and create efficiencies, the Department has encouraged the development of consortia in W-2. The incentive funds are for one-time costs to support the development of consortium infrastructure.

7. Question: Is there a description of W-2 Allocation Methodology for 2004-2005?

Answer: Yes, the W-2 Allocation Methodology for Contract Year 2004-2005 can be found at <http://www.dwd.state.wi.us/dws/W2/rfp/default.htm>. See Questions and Answers, August 6, 2003, W-2 Allocation Methodology.